

Colorado Department of Transportation Standing Committee on Efficiency and Accountability (E&A) Meeting Minutes

Date: March 20th, 2013

Time: 10:00am-12:00pm

Location: CDOT Headquarters, Mt. Evans Room

Committee Members in Attendance:

Jody Randall, American Civil Contractors

Barbara Gold, Audit Director

Solomon Haile, CDOT Division of Engineering, Design and Construction

Steve Hofmeister, Transportation Commission

Maribeth Lewis-Baker, Chairperson; Free Ride Transit System, Breckenridge

Gary Vansuch, Vice Chairman; CDOT Director of Process Improvement

Michael Penny, City of Littleton (via teleconference)

Bill Weidenaar, Regional Transportation District

Daniel Owens, Operating Engineers Union

Steve Rudy, DRCOG

Bob Sakaguchi, Jacobs Engineering

Beverly Wyatt, Division of Human Resources and Administration

Louie Barela, CDOT Division of Finance and Accounting

Debra Perkins-Smith, CDOT Division of Transportation Development

Dan Gibbs,

Committee Members Absent:

T.K. Gwin, CDOT Division of Aeronautics

Dave Childs, CDOT Division of Highway Maintenance & Operations

Others Present:

Leah Ware

Eric Ellis

Mark Imhoff

Tom Mauser

George Strimbu

Anna Ryazantseva, CDOT Process Improvement Intern

(I) Welcome:

Chairperson Maribeth Lewis-Baker called the meeting to order. Introductions were made and a new committee member, Dan Gibbs, was introduced.

(II) Report from Reimbursement Process Improvement Project:

Eric Ellis and Leah Ware presented a review and report of the Division of Transit and Rail (DTR) Reimbursement Improvement Effort. Ellis began by summarizing the current state of the process as well as the Rapid Improvement Event (RIE) that examined the process. The DTR Reimbursement Process is a process where timing and cash flow is important. The examination of the processes determined several improvement opportunities, including:

- An opportunity to reduce rework, delays, and cash flow issues;
- Staff had multiple duties and the department was juggling activities, this caused delays; and
- The process had a set of stringent rules.

Ellis continued to describe wasteful steps that were taken out and some metrics that illustrated the improvement; some examples of metrics used were step savings, accuracy, and reimbursement time savings. *For more information on the Reimbursement Process Improvement article refer to:* <http://www.coloradodot.info/business/process-improvement/lean-case-studies/dtr-reimbursement>

Leah Ware continued the review of the DTR Reimbursement project by presenting the implementation and roll-out. She discussed the three phases of implementation including:

- Pilot testing with grantees that yielded positive results;

- Roll-out with all grantees: needs financial audit to determine system adequacy; determine documentation necessary to process; and financial audits/site visits to check systems.
- Final implementation: some considerations include training, policies, payment process verification, change management, review/audit processes, and a communications plan.

The Committee proceeded with questions and comments:

- Question: What is cost of auditors and consultants?
Answer: \$50,000 but this is not a definite number and not the states money.
- Bob Sakaguchi commented that this RIE will make CDOT efficient and accountable and suggested a customer survey of the improvements.
- Maribeth Lewis-Baker commented on the contrast between the old DTR Reimbursement process and the improved one and the good results.

(III) “Maximize Efficiency” Review: Division of Transit and Rail:

Gary Vansuch introduced Mark Imhoff and posed three questions: how are you and your division (DTR) working to maximize efficiency, what barriers are you running into, and how can the Committee help to overcome those barriers? Mark Imhoff began by discussing the DTR Grants program, explaining that it was a process to distribute funds and has doubled in size from FASTER. To combat the overwhelming of the staff, the Division of Transit and Rail created responsibility goals and redefined job descriptions to define duties and create a functional and efficient group. DTR is looking to the future and is preparing and prioritizing new projects to take on; one example is the RTD collaborative bus system project focused on commuter hours. Imhoff continued by discussing barriers and noted that a lack of funding is the largest barrier. He cited an increase in ridership and mentioned that this hasn't allowed services to grow because as gas prices go up, RTD revenue doesn't necessarily follow.

A Committee member commented, in reference to the bus system project, that DTR projects should not interfere with the private sector. Imhoff responded to this stating that this is in fact the case and the system would support private sector businesses affected. The Committee had a short discussion on some specifics of the DTR bus system project and requested that Mark Imhoff

present again at a later date to provide an update on efficiency and accountability in the Division of Transit and Rail.

(IV) Task Force: Post-Award Contracting:

The Committee heard from Eric Ellis (standing in for Tom Mauser) and George Strimbu. They indicated that in order to speed up projects, they needed to allocate funds. They are using Snowmass as a pilot and working out from where the funds are coming. They are also working on accelerating the approval process to be able to use funding; Ellis and Strimbu noted that there could be trade-offs in using future funding. Ellis and Strimbu concluded that overall the task force is moving forward.

(V) Debrief of the “Maximize Efficiency” Review:

Gary Vansuch started the debriefing on the DTR efficiency review by asking if the Committee wished to keep the structure or try a different approach. Jody Randall suggested asking customers and employees in the division for feedback. Dan Gibbs commented that, although it was his first meeting, the structure worked well. Michael Penny suggested the review stay away from policy and to keep the discussion relevant. Bill Weidenaar requested that more metrics of measuring efficiency be discussed. Maribeth Lewis-Baker noted that the Committee cannot fix a shortage of funds but may be able to help with minor policy barriers. The Committee continued the discussion of the efficiency reviews and concluded with a list of information they would like to hear at the monthly efficiency reviews:

- Customer thoughts;
- Metrics of efficiency;
- Over/under;
- Sustaining gains; and
- A routine report to make sure the process is still working.

(VI) Addressing the Meeting Schedule and Future Meeting Agenda:

The next order of business was to determine future meeting dates and agendas. The Committee collectively decided that they will continue to meet on a monthly basis and proceeded to discuss future efficiency reviews to add to the Committee agenda. Several suggestions were made:

- Accounting: break this up into several reviews/parts, reach out to Ben Stein to present a report;
- Hiring Process: invite Dan Myers to talk, this project is in the process of implementation and it would be beneficial to review in May or June.
- Redistricting: examine the efficiencies of redistricting, identify barriers, review in May or June because it is still early in the process;
- Consultant Contract Execution: review in April, bring in Tim Harris and/or John Eddy; and
- OIT: not part of CDOT but this is still a division that can be examined by the Committee.

The Committee continued by discussing committees in which CDOT is a participant. A master list was requested to tackle the potential problem of duplication, to better direct efforts, and to weed the unnecessary. The discussion then turned to the Keep Jobs in Colorado Act and concluded with a request for a review of the legislation as it relates to what it will do improve processes. Louie Barela noted he had a copy of a summary of the bill. Jody Randall suggested that the Committee's review of the legislation be delivered to the Governor's office.

(VII) Adjourned:

Gary Vansuch moved to adjourn the Committee meeting. The motion passed and the Committee adjourned.

(VIII) Action Items:

1. Invite Mark Imhoff back to update the Committee on the efficiency in the Division of Transit and Rail.

2. Invite Tim Harris and/or John Eddy to discuss Consultant Contracts Execution to a future E&A session.
3. Invite Dan Myers to discuss the Hiring Project Process Improvement in May or June.
4. Invite a representative to discuss efficiencies in Redistricting in May or June.
5. Reach out to Ben Stein about presenting a part on efficiencies in Accounting.

Respectfully submitted on behalf of the Committee,

Anna Ryazantseva